Yukon Forestry Mission to Fairbanks, Alaska

May 2-6, 1999

SUMMARY OF MISSION AND SITE VISITS

Yukon
Economic Development

YUKON
FOREST
STRATEGY

Economy
A Yukon Partnership

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Overview

This mission was co-sponsored by the Yukon government's Department of Economic Development and the University of Alaska's Forest Cooperative Extension Program. The main goals of this mission were to:

- provide those within the Yukon forest sector the opportunity to tour forest products facilities in the interior of Alaska;
- inform and promote technological and processing improvements within the Yukon forest sector;
- promote trade in wood products between the Yukon and Alaska;
- assist Yukon businesses in exporting to Alaska; and
- promote business relationships between Alaska and the Yukon.

Twelve industry representatives, including mill operators, log homebuilders and representatives from First Nation development corporations, participated on this tour. (A list of participants appears on page 14.) The Yukon Forest Commissioner, Dennis Fentie, led the mission, accompanied by staff from Economic Development, Renewable Resources and Yukon Housing Corporation.

The mission was organized to provide participants with a representative sample of forest industry activities in the Fairbanks area on each day of the tour. This included 17 site visits to forest operations and meetings with representatives from the Alaska Forest Services, Fire Protection, Forest Management, and industry. Bob Wheeler, of the Forestry Extension Program at the University of Alaska, provided the contacts with industry in Fairbanks.

Representatives from the State of Alaska Forestry Division and the forest industry joined the Yukon delegates on the mission. Travelling by motor coach allowed participants to make contacts and encouraged interaction among the group.

Day 1 Itinerary

Sunday, May 2

Whitehorse to Fairbanks

7:00 a.m. – 10:45 a.m.

Trip to Fairbanks

The group departed from the Whitehorse airport at 7:00 a.m., arriving in Fairbanks at 10:45 a.m. Delegates then boarded the Princess motor coach and departed for Sophie's Station.

4:00 p.m. – 5:30 p.m.

Orientation meeting

An orientation meeting was held to review the tour schedule and to introduce the Alaskan host, Bob Wheeler. Dinner at the Pump House Restaurant, hosted by the Yukon government, followed this session.

(top) **Dennis Fentie, Yukon Forest Commissioner and** ***(bottom)*** **Bob Wheeler, Forestry Extension Program, University of Alaska, at the final reception.**

Day 2 Itinerary

Monday, May 3

Tour direction: south of Fairbanks

8:30 a.m.

Depart Sophie's Station

The group welcomed three new people to the tour: Mark Lee, a resource management forester with the State of Alaska, Bill Johnson, with Alaska Forest Resources and Rick Hall, a member of the Alaska forest industry.

9:00 a.m. - 9:30 a.m.

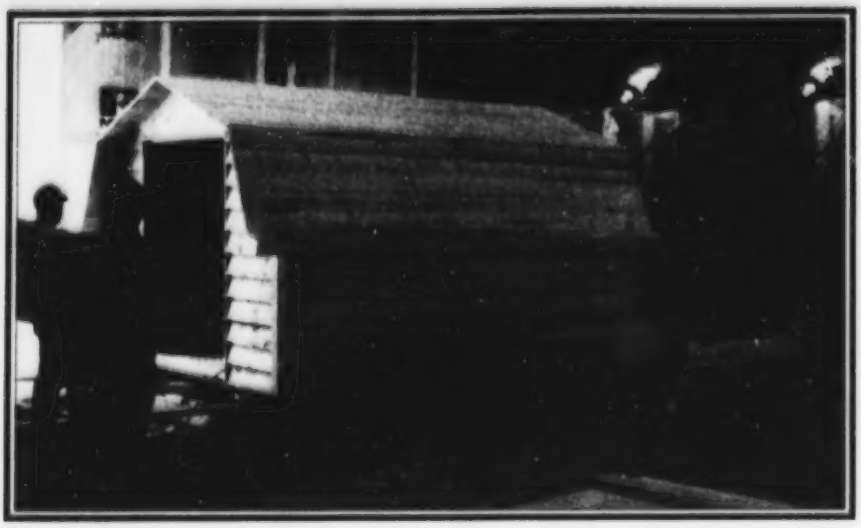
Wyxford's Alaska Birch Products
Owner: Jerry Weatherford
3248 Judy Lane
North Pole, Alaska 99705

The Wyxford Alaska Birch Products is a small facility specializing in laminating pieces of birch to create a variety of gift items ranging in price from $22 to $90 U.S.

Production is 200 bowls per week depending on orders and the availability of staff. Annual production is estimated at 10,000 units. The use of laminated birch instead of solid stock reduces the risk of twisting and cracking associated with solid pieces. The operator indicated that with limited space and equipment the operation was having difficulty keeping up with the increased local demand plus the orders generated by their website.

The business has four to six employees who are paid by the piece. Three family members provide additional labour support.

(top) **Dennis Fentie inside lumber drying facility.**
(bottom) **Sanding at Wyxford's Alaska Birch Products.**



***(top)* Inside White Spruce Enterprises, beside shed under construction.**
***(middle)* Delegates viewing portable saw at White Spruce Enterprises.**
***(bottom)* Arrival at Spruce Knot Shop.**

10:00 a.m. – 10:50 a.m.
White Spruce Enterprises
Owner: Jerry Gustafson
10293 Old Valdez Trail
Salcha, Alaska 99714

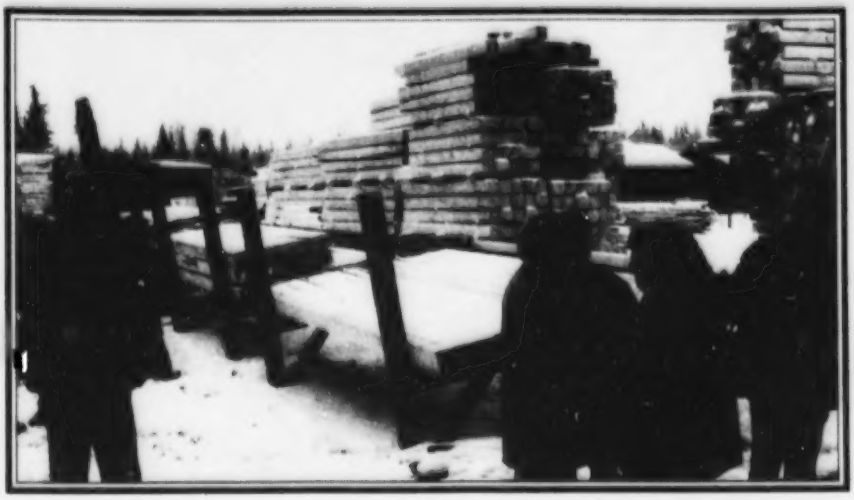
White Spruce Enterprises' facility is very similar to many mills located in the Yukon. It consists of a sawmill utilizing various milling machinery. Most of the facility operates in the open except for the storage and maintenance shop.

The value-added products produced include green houses, storage sheds and processed dimensional lumber, with an annual output of 300,000 to 400,000 board fee annually (similar to some Yukon companies).

Although this business has only been operating for two years, the demand within the local market has been increasing resulting in a favourable business return. Approximately 10 to 12 people are employed throughout the year.

11:00 a.m. – 11:30 am.
Spruce Knot Shop
Jim and Paula Rothenbuhler
6565 Richardson Highway
Salcha, Alaska 99714

This unique retail outlet specializes in wood merchandise produced by Alaskans for the tourist trade in Alaska. It carries a full range of gifts and locally produced items. The company is in the process of developing a wildlife museum.



***(top)* In the yard at Dry Creek Lumber. *(middle)* Delegates getting a close look at the grooves. *(bottom)* Four-sided square log home.**

12:00 p.m. - 1:00 p.m.
Lunch in Delta

2:20 p.m. - 3:30 p.m.
Dry Creek Lumber
Contact: John Squires
HC 62 Box 5220
Delta, Junction, Alaska 99737

After lunch, the group visited this operation in Delta and observed work in progress on the log kit production line, most of which was open to the elements. Despite the falling snow and rain, there was a good deal of activity at the site. It included a lumber processing mill yard and an area for construction of a storage cover unit for finished products. The group also viewed a log home currently under construction to see the finished interior.

This mill processes approximately 500,000 board feet per year and constructs two or three log home kits annually. Ten to 15 employees are active in the daily operations of this facility.

Employees rotate through the various elements of the operation, which includes either log home construction or processing lumber.

3:30 p.m.
The remainder of the day was dedicated to discussing the sites and travelling back to Sophie's Station.

Day 3 Itinerary

Tuesday, May 4

Tour direction: City of Fairbanks area

8:30 a.m.

Depart Sophie's Station

The City of Fairbanks was the focus of the schedule for this day. Bob Wheeler introduced an additional Alaskan guest, Ron Rickets, University of Alaska Forest Extension Officer.

***(top)* Mill and yard at Northland Lumber Enterprises. *(middle)* Primary breakdown to dimension timber (2 x 6). *(bottom)* Feed end of the mill.**

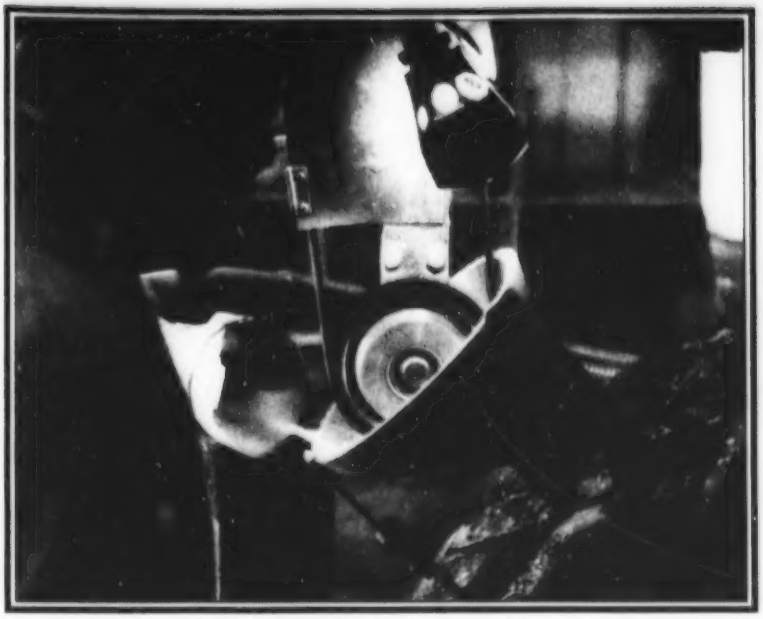
8:45 a.m. – 10:15 am.

Northland Lumber Enterprises
Contact: Allen or Jerry Flodin
4000 S. Cushman Street
Fairbanks, Alaska

Northland's Mill is the largest sawmill facility in the Alaskan interior and is involved in the full range of forest industry activities. This includes harvesting, lumber processing, drying (air), planing, grading and retailing the finished products. Except for the harvesting operation, the entire facility is situated on an industrial site within Fairbanks.

Northland has approximately three million board feet of lumber air-drying in the yard at any one time and a similar amount of finished lumber available for retail sales. This operator has developed several ingenious methods for disposing of or utilizing their waste products such as chips, slabs and cutoffs. The primary use for solid wood waste is to cut and split the waste into appropriate fuelwood sizes (16 or 18 inches) for retail sale.

During the peak season, this operation employs approximately 30 to 40 people, with 15 to 17 positions maintained year-round.



10:30 a.m. – 11:30 a.m.
Great Alaska Bowl Company
P.O. Box 60598
Fairbanks, Alaska 99706

The Great Alaskan Bowl Company produces solid birch bowls in a variety of sizes and markets them in sets or as single pieces. It is well organized in the production and marketing of its products, incorporating viewing of the production process (via a glass window) and displaying the finished products side-by-side in the same building, in a safe and appealing manner for the consumer. The company employs 11 staff full-time.

By cutting a single piece of raw birch in a reducing sequence (large to small) until the raw material is insufficient to produce a smaller bowl, a large number of birch bowls can be produced from a very small volume of wood. The key element is the ability to market a product that provides the same grain or defect throughout the sequence line. Usually three to five pieces are produced and the set retails between $60 to $90 U.S.

In rare cases, as many as seven or eight bowls can be produced from one piece of raw material. This type of set retails for $500 to $650 U.S. as it is marketed as a unique item. In addition, individual pieces that do not result in matched sets are marketed individually as seven, nine, 11, 13, 15-inch pieces.

Decorating the bowls with designs by local Alaskan artists is another aspect the company uses to create different products. Prices vary from $200 to $300 U.S. dependent upon the artist and the size of the bowl.

Making bowls at Great Alaska Bowl Company, with a set on display.

12:00 - 1:00 p.m.
Lunch in Fairbanks

Inside Custom Woodworking, Incorporated

1:20 p.m. - 2:20 p.m.
Custom Woodworking, Incorporated
John Mathei
Box 84724
Fairbanks, Alaska 99708-4724

The next stop included a visit to John Mathei's Custom Woodworking shop that specializes in kitchen cabinets; furniture and hand railings made from Alaskan wood. This value-added facility differed substantially from the other stops on the tour in that it produces finished interior household furniture and cabinets. Fine craftsmanship and local products provide an ideal marketing combination for this value-added facility.

Mr. Mathei identified the lack of floor space as his major obstacle in reducing the waiting period for orders and increasing the size of his workforce. The facility provides work for four employees on a full-time basis and an additional two to three on a seasonal or demand basis.

Within the Fairbanks area, Bob Zachel's birch wholesaling operation is the primary supplier of raw material for many of the smaller manufacturers of birch value-added products.

2:20 p.m. - 2:45 p.m.
Birch Wholesaler
Bob Zachel
Box. 83244
Fairbanks, Alaska 99708

This facility consisted of a small shop that houses a miser sawmill unit, a small dry kiln, and storage for a limited supply of finished products. In the yard there was a wide range of rough timber in various stages of drying. The majority of the raw material for this facility comes from southern Alaska and, in limited numbers, from the Fairbanks area. As with many of the facilities visited on the tour, it was designed to meet the demands of the local marketplace, using limited space and infrastructure and maximizing the use of raw and finished inventory.

This facility is owner operated with some seasonal employment for peak periods.

Touring Superior Hardwoods retail store.

3:15 p.m. - 3:45 p.m.
Superior Hardwoods
Rick Kreofsky
600 Old Steese Highway North
Fairbanks, Alaska 99712

This retail outlet specializes in providing a wide range of local and specialty wood products to the central Alaskan market. In addition, it provides customizing services for wood molding, cut to length, and other value-added finishing aspects of its wood products.

This operation employs up to six people during its peak season and has three to four full-time positions year-round. The hardwoods sold at this retail operation are imported from around the world.

4:15 p.m.
Return to Sophie's Station

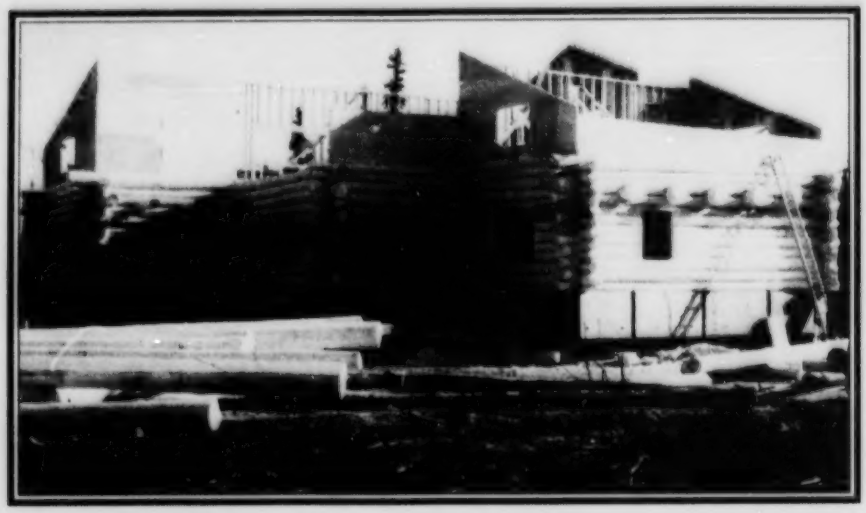
Day 4 Itinerary

Wednesday, May 5

Tour direction: Parks Highway to Nenana

8:30 a.m.
Depart Sophie's Station

8:45 a.m. - 9:30 a.m.
Mike Musick Log Home Construction (Dale Road house)
Contact: Mike Musick
P.O. Box 161
Ester, Alaska 99725



5,000-square foot log house under construction.

This general contractor was promoting the building currently under construction as an energy efficient private residence. The large structure was being built with a combination of scribed logs and wood framing on the second floor and roof sections. Six to nine employees, in addition to the tradespeople, were involved in the construction. The home is over 5,000 square feet in size and has been under construction for more than a year. The estimated cost, including the lot, is over $500,000 U.S.

9:45 a.m. - 10:30 a.m.
Manufacturer of shaped logs for cabins and sheds
Contact: Terry Doerr

Yukon delegate Allen Soltis viewing operation to shape logs.

This wood turning facility demonstrated that with some ingenuity, operating a small business with limited equipment and staff can be successful. Producing milled logs for construction of small basic structures is its specialty.

As part of this stop, the group was taken to a site in Ester where one of the operation's finished log buildings was on display.

Production staff consists of three employees operating on demand. The operation is dependent upon a supply of dry, salvaged or beetle-killed wood.

(top) **Processing lumber at Four Star Lumber. (*middle*) Yukon delegates viewing a shed for sale at Nenana Lumber. (*bottom*) Yukon delegate Leonard Peterson admiring Alaskan timber.**

10:30 a.m. - 11:15 am.
Four Star Lumber
Al Pagh
2849 Parks Highway
Fairbanks Alaska 99709

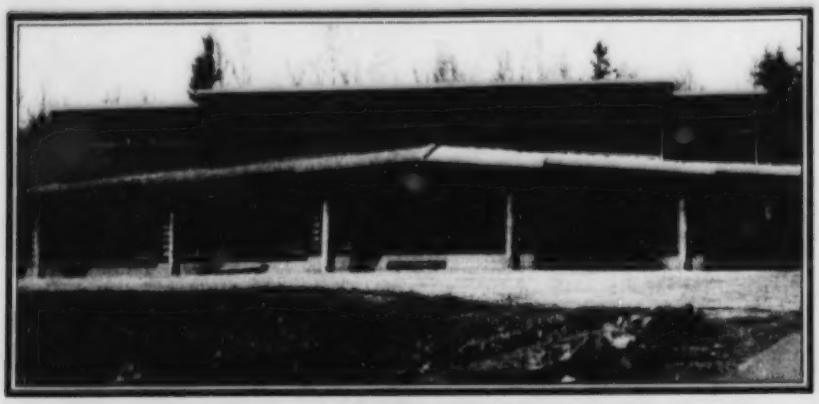
Four Star Lumber provided the group with an interesting glance at an array of old, new and used equipment. The work force consisted of four employees working on two of the many units located in the crowded yard. This operation produces a small quantity of rough timber products, mainly for local use.

11:30 a.m. - 12:30 p.m.
Lunch at the Rivers Edge restaurant

1:45 p.m. - 2:45 p.m.
Nenana Lumber
Mike Holz
Box 244
Nenana, Alaska 99706

This facility was in operation and the owner, Mike Holz, was in attendance. The site had several projects in various stages of completion and Mike provided a guided tour of the facility that enabled the group to view an excellent example of an Alaskan mill in operation. The mill site had many samples of finished and rough processed products of dimensional lumber.

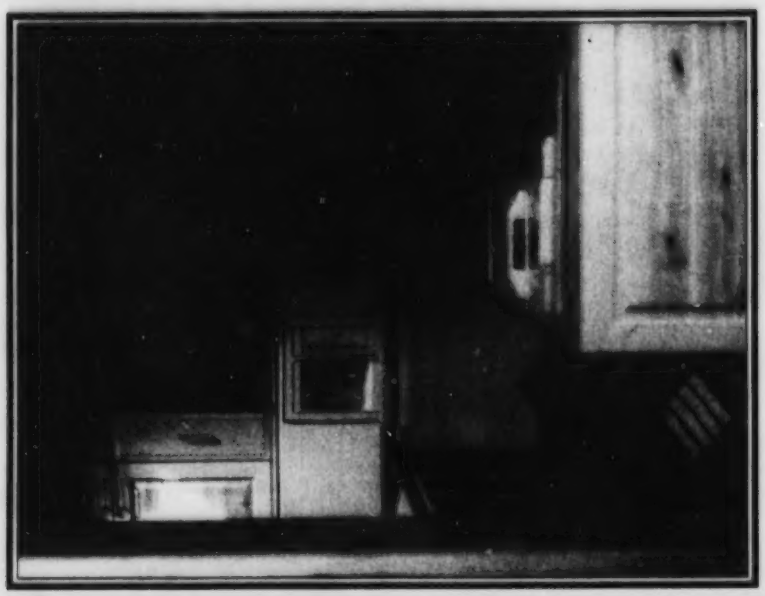
Utilization and methods of processing and finishing lumber provided interesting topics of discussion, especially around the wood profile piled in the yard. There were five or six employees on site and a similar number involved in the harvesting of timber and construction of sheds and cabins.



3:00 p.m. - 3:30 p.m.
Visit new log structures in downtown Nenana

4:30 p.m. - 5:00 p.m.
The president's home on the University of Alaska campus

This building included many examples of northern technology and samples of locally produced building materials and products available for Alaskans in their home. Mike Musick provided the background and tour of this unique mix of a private residence for the President, and a meeting room and entertainment facility for the University.



5:15 p.m.
Return to Sophie Station

6:00 p.m. - 9:15 p.m.
Forestry Mission Reception
Wickersham Hall, 107 Wickersham Street
Fairbanks, Alaska

The final event of the trip was a reception on Wednesday evening with several local industry representatives and guests from the University of Alaska's Forest Extension Office in attendance. The purpose of this reception was to:

- summarize the events of the week;
- learn about the University of Alaska's Forest Extension Office;
- discuss how to continue sharing information;
- continue informal discussions with Alaskan contacts; and
- enable the Yukon delegation to thank the Alaskans for their hospitality.

***(top)* Home of the president of the University of Alaska. *(middle)* Locally produced kitchen cupboards utilizing Alaskan birch. *(bottom)* Yukon delegates Tim Cant and Allen Soltis at the reception.**

The reception provided the group with an opportunity to assess the value of the trip on an individual and group basis and initiate discussions about future tours.

Day 5 Itinerary

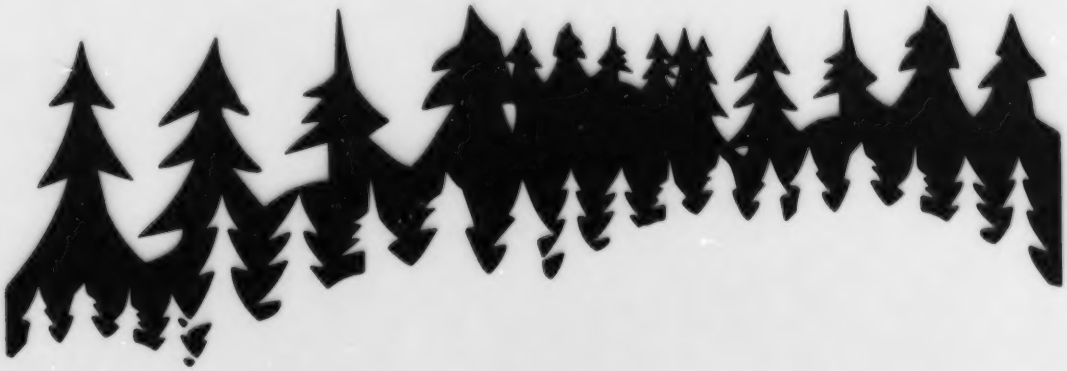
Thursday, May 6

Fairbanks to Whitehorse

11:00 a.m. – 3:00 p.m.

Flight to Whitehorse

The group departed from the Fairbanks airport at 11:00 a.m. and arrived in Whitehorse at 3:00 p.m.



Mission summary

Twelve participants attended the Forestry Mission to Fairbanks, Alaska, representing 11 Yukon businesses, First Nations and territorial organizations. The mission was designed to cover a wide range of operations and to highlight a variety of potential opportunities for the Yukon forest sector.

Dennis Fentie, the Yukon's Forest Commissioner, said, "The priority of the mission is to exchange information and ideas and make contacts, as part of the territorial government's industrial action plan." Increased contacts, opportunities for future trade, and signed contracts were elements achieved by a number of mission participants.

Fentie said, "Participants on this trade mission are hoping to crack into a market that has big potential." Yukon delegates agreed. Feedback from the mission participants (both written and verbal) indicated that this trip generated very positive results, increased knowledge, and market opportunities. Overall, respondents were quite positive in their comments on the organization and the quality and relevance of the events and activities that were provided. Participants were very supportive of this project, indicating that it met or exceeded their expectations and resulted in a greater understanding of the central interior Alaskan forest industry.

Future missions of this type were seen as a positive step in the development of the Yukon forest industry. Participants requested that in the future, emphasis be placed on the various segments within the forestry industry.

Participants

INDUSTRY REPRESENTATIVES

Tim Cant
First Nations Forestry Program
(867) 667-7631

Daniel Clunies-Ross
AJ Enterprises
(867) 634-2834

Paul Birckel
Dakwakada Development Corporation
(867) 668-6877

Allen Soltis
Dakwakada Development Corporation
(867) 668-6877

Chief Daniel Morris
Liard First Nation
(867) 536-2131

Allan Kerr
South Yukon Forest Corporation
(867) 536-7730

Kelly Morris
Yukon River Timber/TTC
(867) 393-2521

Dennis Klein
Yukon Alaska Log Homes
(867) 668-2206

Kerry Minor
Cascade Industries
(867) 668-6356

Leonard Peterson
Trans North Lumber
(250) 774-7244

Gerald Dickson
Kluane First Nation
(867) 841-5501

Dick Rankins
D.W.A.L.
(867) 536-2428

YUKON GOVERNMENT REPRESENTATIVES

Dennis Fentie
Yukon Forest Commissioner
(867) 667-8288

Joe MacGillivray
Yukon Economic Development
(867) 667-3432

Glenn Hart
Yukon Economic Development
(867) 667-3013

Juergen Korn
Yukon Housing Corporation
(867) 667-3790

Jeff Monty
Yukon Renewable Resources
(867) 667-8685

Some of the participants in the Forestry Mission to Fairbanks, Alaska.

Press releases

Yukon Government

News Release

FOR RELEASE
April 29, 1999

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YUKON DELEGATION OFF TO ALASKA ON FORESTRY MISSION

WHITEHORSE – A Yukon delegation is heading to Fairbanks, Alaska from May 2 to 6, for a first-hand look at the Alaskan forest industry.

The mission, led by Forest Commissioner Dennis Fentie, will encourage networking and information sharing between representatives of Yukon's forest industry and their Alaskan counterparts.

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Yukon Government

News Release

FOR RELEASE
April 1, 1999

066

PARTICIPANTS WANTED FOR FORESTRY MISSION TO ALASKA

WHITEHORSE – The department of Economic Development is looking for delegates to join a forestry mission to Alaska from May 2 to 6.

The mission, led by Forest Commissioner Dennis Fentie, is being organized to encourage information sharing between representatives of Yukon's forest industry and their Alaskan counterparts.

Delegates will visit operators specializing in value-added timber processing.

"Participants will see first-hand technological and processing techniques that could be used in the Yukon's milling sector," Fentie said.

The five-day mission will also promote opportunities for selling Yukon wood products to the Alaskan market.

"The promotion of increased value-added and marketing opportunities is consistent with our government's Economy 2000 initiatives," Fentie said. "It is also directly in line with the Yukon Forest Strategy and the Forest Industry Action Plan that is being developed."

Eligible delegates include sawmill owners, businesses involved in processing timber, as well as businesses and First Nations considering ventures in the forest sector. The deadline for registration is April 12.

Some costs of the mission will be sponsored by the Department of Economic Development. Space is limited so participants should register early by contacting Glenn Hart at (867) 667-3013 or 1-800-661-0408.

-30-

Contact:

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Department of Economic Development
(867) 667-3013
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Dennis Fentie
Forest Commissioner
(867) 667-8288

Economy 2000 A Yukon Partnership